



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate for the Magic Valley Labor Market Area (LMA) was three-tenths of a percentage point higher in January 2002 than January 2001 and two-tenths of a percentage point higher than December 2001, as shown in Magic Valley Table 1. *Civilian Labor Force* was 6.1 percent higher in January 2002 than in January 2001. There were 160 more unemployed workers in January 2002 than in December 2001 and 300 more than a year ago. The reasons for this increase were post-holiday *Retail* reductions in force and weather-related slowdowns in the *Mining & Construction* sector. The construction slowdown was more pronounced this year because 2001 was a very mild winter and some projects continued year-round.

Nonfarm Payroll Jobs saw an increase of 3.9 percent year-over-year as job creation remained stable in the Magic Valley. There was a reduction of 2.1 percent from December 2001 to January 2002 that coincides with the aforementioned reduction in retail and constructions jobs. A major increase of 24.5 percent occurred in the *Services* sector that is primarily caused by the increase in temporary workers from temporary employment staffing agencies. Many businesses have changed staffing patterns and are now employing temporary workers for a variety of reasons. Statistically, this has had little effect on overall numbers, but it does make sector analyses difficult because of the wide spectrum of workers employed by temporary staffing agencies. Many of the workers are from *Food-Processing*, *Manufacturing-Durable Goods*, and clerical and construction occupations.

This makes it difficult to identify whether small decreases in some sectors are trends in employment due to eco-

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding counties

	Jan 2002*	Dec 2001	Jan 2001	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	52,110	51,260	49,230	1.9	6.1
Unemployment	2,300	2,140	2,000	7.9	15.5
% of Labor Force Unemployed	4.4	4.2	4.1		
Total Employment	49,810	49,120	47,230	1.7	5.7
Unadjusted					
Civilian Labor Force	50,230	51,020	47,500	-1.3	6.0
Unemployment	2,720	2,290	2,490	19.2	9.6
% of Labor Force Unemployed	5.4	4.5	5.2		
Total Employment	47,510	48,730	45,010	-2.2	5.8
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	38,460	39,280	37,000	-2.1	3.9
Goods-Producing Industries	6,440	6,860	6,820	-6.1	-5.6
Mining & Construction	1,530	1,770	1,660	-13.6	-7.8
Manufacturing	4,910	5,090	5,160	-3.5	-4.8
Durable Goods	830	840	900	-1.2	-7.8
Nondurable Goods	4,080	4,250	4,260	-4.0	-4.2
Food Processing	3,120	3,270	3,190	-4.6	-2.2
All Other Nondurable Goods	960	980	1,070	-2.0	-10.3
Service-Producing Industries	32,020	32,420	30,180	-1.2	6.1
Transportation, Comm., & Utilities	2,600	2,690	2,740	-3.3	-5.1
Wholesale Trade	2,180	2,200	2,270	-0.9	-4.0
Retail Trade	7,860	8,230	8,040	-4.5	-2.2
Finance, Insurance, & Real Estate	1,300	1,270	1,350	2.4	-3.7
Services	10,530	10,590	8,460	-0.6	24.5
Government Administration	3,890	3,730	3,730	4.3	4.3
Government Education	3,660	3,710	3,590	-1.3	1.9

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

nomical changes or the general result of temporary workers identified in the *Services* sector.

Overall, stability and optimism are still applicable to the South Central Idaho economy. The unemployment rate of 4.4 percent is very good and more than a percentage point lower than the national rate. The stable trend is also atypical of most of the rest of Idaho as unemployment rates have increased dramatically in other LMAs. Again, economic stability in the Magic Valley has been fueled by good consumer confidence, agricultural improvement, and lack of major announced layoffs. Reductions in state budgets remain a concern as staff cutbacks in *Education* and other state agencies seem inevitable. However, with Dell's recent announcement of 200 more jobs to be created, bringing a total of approximately 450 new jobs to the area, and renewed construction activity on new housing

starts later this spring, the outlook for South Central Idaho remains generally positive.

SPECIAL TOPIC

Agriculture

For the first time in several years, there is reason for optimism in agriculture. There are some previously negative factors that have had positive trends since last year. First, commodity prices are improved for most agricultural products, particularly potatoes, alfalfa, and milk. Most of the other crops grown in the Magic Valley are stable or higher than last year. Second, interest rates are lower than in previous years, and this will help farmers a great deal in their financing. Fuel costs are also lower than last year. However, fuel prices are extremely volatile and can be greatly affected by foreign policy and the present Middle-East tension. So fuel costs are, at least in the short term, favorable for farmers but could quickly change. Fertilizer prices also are lower than last year, and that will reduce per acre costs for farmers, or some farmers can possibly apply more fertilizer to increase yields if prices are favorable at planting time.

The Agricultural Minimum Wage Law that took effect on January 1, 2002, will not have a significant effect on farmers in the Magic Valley since the vast majority of farmers already paid above minimum wage. In fact, the protection it affords workers could actually work to the farmers' advantage in attracting and retaining good workers that might have otherwise chosen to work in other states.

The water outlook is better than last year although more moisture is needed as February has been drier than normal. A negative factor is higher electrical costs that will drive up per acre costs, particularly in deep well-irrigated farms. This year's water situation does not promise to improve the rate picture although there is a larger snow pack. Overall, farmers seem to have more to look forward to in 2002, and this will have a stabilizing and vitalizing effect on the entire South Central Idaho economy.

AREA DEVELOPMENTS

Twin Falls County

- Dell Computers held the grand opening of its Twin Falls Consumer technical support operation at 871 Pole Line on February 1. Governor Dirk Kempthorne, U.S. Congressman Mike Simpson, and U.S. Senator Larry Craig were some of the dignitaries that attended the event, along with Idaho Department of Labor Director Roger Madsen and Idaho Department of Commerce Director Gary Mahn. Gov. Kempthorne and Twin Falls Mayor Lance Clow welcomed Dell to Idaho and Twin Falls, respectively. The Idaho Department of Labor, Magic

Valley Job Service, College of Southern Idaho, Twin Falls Chamber of Commerce, and Southern Idaho Economic Development Organization were recognized as partners that helped "Build the Bridge" in bringing Dell to the Magic Valley. Dell Vice-President of Consumer Technical Support Rick Chase announced that the Twin Falls Technical Support Center start-up has been very successful thus far and that he was pleased to announce that Dell would be hiring an additional 200 people bringing the work force to approximately 450 jobs.

Cassia and Minidoka Counties

- McCain Foods USA is remodeling its two potato processing plants outside of Burley. The plants are getting a design upgrade and new processing equipment. The project will improve product flows, product quality, and lead to more efficient operations. A company spokesperson said that there will be new equipment but that machines will not replace employees or negatively affect staffing levels at the plant. Due to competitive concerns, the company would not specify all of the improvements, but did say that a new lunch room and a new bacteria and quality control area are part of the plan. Construction on the approximately \$14.7 million project began in October 2001 and is expected to be finished in June 2002. The company has hired many contractors to remodel the building. The construction contractors have brought construction workers to Burley from as far away as Boise.

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